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# ***Daily Report***

## **China**

FBIS-CHI-88-022  
Wednesday  
3 February 1988

# Daily Report

## China

FBIS-CHI-88-022

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**Hong Kong**

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**General**

**Foreign Ministry Holds Weekly News Briefing**

**Mubarak Peace Initiative**

OW031101 Beijing XINHUA in English 1047 GMT  
3 Feb 88

[Text] Beijing, February 3 (XINHUA)—A Chinese Foreign Ministry spokeswoman today voiced China's support to a new Mid-East peace proposal made by the Egyptian president.

China appreciates the persistent efforts made by President Muhammad Husni Mubarak to further the Middle East peace process, the spokeswoman said at today's weekly news briefing in response to a question requesting Chinese Government's comments on the proposal.

"We support the convocation of an international conference on the Middle East question under the auspices of the United Nations for a comprehensive and fair settlement of the Middle East question," the spokeswoman said.

**UN Resolution on Afghanistan**

HK031032 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0953 GMT 3 Feb 88

[Text] Beijing, 3 Feb (ZHONGGUO XINWEN SHE)—China hopes that the resolutions adopted by the United Nations on the Afghanistan issue will be implemented as soon as possible.

Li Jinhua [2621 6855 5478], a spokeswoman for the Chinese Foreign Ministry, made the above comment at the request of a reporter at this afternoon's news briefing. The reporter's question was: The United States and the Soviet Union are trying to turn Afghanistan into a neutral country like Austria. What are China's comments on this?

Li Jinhua said: Every time the United Nations has adopted a resolution on the Afghanistan issue, it has called for the withdrawal of foreign troops from the country and the restoration of the country's status as an independent, neutral, and nonaligned country and suggested that the Afghan people be allowed to decide on their own future.

**Cambodian Issue, Sihanouk Resignation**

HK031118 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1018 GMT 3 Feb 88

[Text] Beijing, 3 Feb (ZHONGGUO XINWEN SHE)—At today's news briefing, Li Jinhua, a spokeswoman for the Chinese Foreign Ministry, said that China hopes and believes that the three coalition parties of Democratic Kampuchea will continue to strengthen unity and make joint efforts to resist Vietnamese aggression.

Asked by a reporter about the conditions under which China would agree to disarm the Khmer Rouge, Li Jinhua said: While the Vietnamese occupation continues, how can the Cambodian forces and people lay down their arms? She said that it was only natural that they continue their just struggle against the Vietnamese.

Li Jinhua said: Prince Sihanouk is a great Cambodian patriot and a very experienced statesman. She said: China respects Prince Sihanouk and believes that he can properly handle the problem of his resignation.

The spokeswoman continued: China respects and understands the efforts made by Prince Sihanouk in an attempt to bring about an early and fair solution to the Cambodian issue. She added: As for the question of how to solve Cambodia's internal problems, they should be allowed to solve it through consultation.

**Iranian Parliamentarians To Arrive**

OW031112 Beijing XINHUA in English 1055 GMT  
3 Feb 88

[Text] Beijing, February 3 (XINHUA)—A delegation from the Islamic Consultative Assembly of Iran headed by Deputy Speaker Hojjat ol-Eslam Mohammad Yazdi will pay a week-long goodwill visit to China beginning from tomorrow.

This was announced by a Chinese Foreign Ministry spokeswoman at the weekly news briefing here this afternoon.

**'Text' of Zhao's Davos Meeting Speech**

OW021222 Beijing XINHUA in English 1203 GMT  
2 Feb 88

[Text] Beijing, February 2 (XINHUA)—Following is the full text of the televised speech made by Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee, here today and transmitted by satellite, as well as his answers to questions, at the Davos meeting of the World Economic Forum:

Mr. Chairman, thank you for your thoughtful arrangements and kind introduction.

It is a great pleasure for me to attend in Beijing the Davos meeting being held thousands of miles away. This fact shows that scientific and technological progress has greatly shortened the distance between nations and made mutual understanding between peoples a lot easier.

Mutual understanding, I mean to understand and to be understood, is very important. That is why your meeting has attracted the interest and attention of people of various circles in China. I would feel honored if my speech could contribute to better understanding of China by the World Economic Forum.

The 13th National Congress of the Communist Party of China concluded three months ago offers a key to understanding the realities of China and its future development. We call it a congress of reform and opening-up. China's reform and open policy started nine years ago. Since then its GNP, state revenues and average income of urban and rural residents have all roughly doubled. The congress decided on the guiding principle of speeding up and deepening the reform and opening up to the outside world in an all round way. Based on an analysis of China's circumstances, the congress affirmed that China is building socialism under the conditions of backward productive forces and an underdeveloped commodity economy and that China is in the primary stage of socialism. Hence it came to the conclusion that vigorous efforts must be made to develop the productive forces and the commodity economy. We need all measures that help the growth of China's productive forces, and will endorse and encourage them. We will not reject any means that are necessary for expanding the commodity economy. This leap in cognition will forcefully accelerate the process of reform and opening. It will help bring about a burgeoning domestic market, including a market for essential factors of production. It will speed up the commercialization, socialization and modernization of production. It will also help promote economic and technological cooperation and trade between China and other countries and thus forge ever closer links between China and the international market. The line set forth at the 13th party congress has won extensive support from the people. It is therefore irreversible.

I would like to speak specifically on China's opening to the outside world. We are keenly aware of where our difficulty lies. It lies in our participation in international exchange at a time when our domestic market is not yet developed. Therefore, we have taken the following two measures: one is to improve the investment environment and economic returns in China through economic restructuring. We have done this in the past nine years with good initial results, and we will stick to this course in the years to come. The other is to adopt a pattern of extending the open policy progressively from the special economic zones to coastal cities, then to coastal economic regions and finally to interior areas. Now, in the coastal regions, a vast forward strip open to the outside world is taking shape, an area with a population over 100 million. In the area you find China's oldest industrial bases and fertile farmlands and a fairly developed commodity economy. There the cultural and technical standards are generally higher and there is more skilled labor. What is more, amid fiercer market competition over the past nine years, numerous village and township enterprises have sprung up and thrived, with an annual increase of 20-30 percent in output value. Consequently, this area finds itself even better equipped for international economic exchange. To sum up, labor cost in China is comparatively low, productivity is going up in the course of reform, and laws and regulations are being improved, too. It is our hope that before long people everywhere will realize that China, especially its coastal

open area, is a most attractive place for investment and technology input. Now I would like to offer you some information: the Chinese Government has decided to propose to the National People's Congress that Hainan Island currently under Guangdong Province be made Hainan Province and the biggest special economic zone in the country. The island is equivalent to three quarters of Switzerland in size. Situated in the tropical zone, it abounds in natural resources and can be called a virgin land yet to be developed. Compared with other special economic zones, a still more open policy will be pursued on the island. Foreign businessmen there will be accorded even more preferential treatment and facilities. Our preparations are now under way for opening the island to the rest of the world. We welcome people from other countries to invest there, exploit its resources and do all kinds of business, including that of real estate. Of course, they are also welcome to tour the island. Even when Davos is in the bitter cold of snowy winter, Hainan Island is still the place for swimming in the sea and sunbathing on the beach. Come to Hainan Island—this can be regarded as my advice to all of you present at the Davos meeting, friends already known and friends yet to meet.

Ladies and Gentlemen, thank you for your attention.

[Beijing XINHUA Domestic Service in Chinese at 1401 GMT on 02 February in a similar report adds: "Question asked by Kurt Furgler, host of the forum and former president of the Swiss Confederation:]

Q: Is China planning to establish a better balance in its economic cooperation with Japan, Europe and the United States?

A: We treat Europe, the United States and Japan equally. They are all our major trading partners. The most competitive partners are the most attractive. Competitiveness is determined by a combination of factors, such as the amount, period and interest rate of investment, the quality, price and delivery time of goods, terms of technology transfer and technical services, and quotas and tariffs on imports from China. China's paying ability cannot but be conditioned by its export volume. Whoever wins in competition will find more Chinese business coming his way.

China's open policy is oriented toward the whole world, including the developed and developing countries. The principle I have mentioned is applicable not only to Japan but also to other Asian countries and regions; not only to Western Europe but also to Eastern Europe and the Soviet Union; not only to the United States but also to the whole of North America and Latin America; and similarly, to Africa and Oceania.

Q: In order to fulfil its program of further economic and industrial development, China needs a stable geopolitical environment, especially in Asia. How do you assess



the recent evolution in the relations between the USA and USSR? What impact will this have on your security and on your own relations with the two superpowers?

A: I think it is a welcome sign that U.S.-Soviet relations have recently eased to a certain degree, particularly as against the background of their sustained sharp confrontation over many years. At the same time, I view this as a very limited step, since the arms race is far from being halted and none of the "hot spots" has been removed. Therefore, it will take a long and difficult process before genuine relaxation of tension can be achieved, and twists and turns in the process cannot be ruled out. The recent trend toward relaxation is the result of the endeavor made by all the peace-loving countries and people in the world. In the final analysis, all of us must press forward so that the situation will develop further in the right direction.

China's fundamental position on international affairs is one of persistent efforts for the maintenance of world peace. We welcome all measures taken by the United States and the Soviet Union that help relaxation of the tension. In bilateral relations, China follows the five principles of peaceful coexistence. Any measure adopted by the United States or the Soviet Union in conformity with these principles will be good for the development of Sino-U.S. or Sino-Soviet relations. On the whole, in recent years Sino-U.S. relations have developed steadily and there has also been gradual improvement in Sino-Soviet relations. However, I have no wish of denying that problems still crop up from time to time in Sino-U.S. relations and that obstacles in Sino-Soviet relations remain to this day. The responsibility for all this does not lie with China. I hope that the U.S. Government will strictly abide by the three joint communiques issued with the Chinese Government. I also hope that the Soviet Union will make due efforts toward removing the obstacles. Peace and Sovereignty are extremely important. If every country works for peace and respects each other's sovereignty, things in this world will be easy to handle.

Now time is up. Please excuse me. Good-bye.

### United States & Canada

**Commentary on U.S. Policy Towards Israel**  
*OW021605 Beijing XINHUA in English 1547 GMT*  
2 Feb 88

[Commentary: "U.S. Veto in U.N. Shows Double Standards" by Qian Wenrong—XINHUA headline]

[Text] United Nations, February 1 (XINHUA)—For the second time in less than a month, the United States today once again vetoed a draft resolution of the Security Council which expressed concern over Israel's violation of human rights in the occupied Arab territories.

People so far still bear in mind that a U.S. representative to the United Nations said last November 23 that "no state, party, group, cause, ideology, or ideal can justify the systematic abuse of the basic rights of human beings. Double standards, hypocrisy, obfuscation, and cowardice have no role in human rights."

Today, however, it is none other than the United States itself that adopts "double standards" in dealing with the violation of human rights.

The brutal massacring of Palestinians committed by the Israeli troops in the West Bank and Gaza Strip in recent weeks have drawn strong condemnation from the world community and at the United Nations.

In fact, the draft resolution put to vote this afternoon has been widely considered "relatively mild" in which no strong words such as "condemn", "denounce" or "deplore" were used.

Nonetheless, even such a moderate draft could not be tolerated by the United States who usually claims to be a "guardian of human rights."

The U.S. move shows that Washington is conniving with the Israeli abuse of human rights. Therefore, people have reason to believe that the United States has real "hypocrisy" in its dealing with the human rights issue.

U.S. Ambassador Herbert S. Okun argued in his explanatory statement before voting that the resolution "can detract from diplomatic efforts underway which are designed to address in a practical way the current unrest, which is a symptom of failure to achieve a solution of the Palestinian issue, and the larger goal of a just and lasting peace for all concerned."

It is known to all that the reason of the "current unrest" and the failure of the international efforts for peace is that Israel, with the strong support of the United States, continues to occupy the Palestinian and other Arab territories, refuses to recognize the Palestine Liberation Organization — the legitimate representative of the Palestinian people, and rejects their right to self-determination.

Also, there is no evidence at all to support the ambassador's allegation that the draft resolution "can detract from diplomatic efforts" to achieve a solution of the Palestinian issue.

The draft resolution submitted to the Security Council today is itself a result of well-made "diplomatic efforts" which "affirms the urgent need" to achieve a comprehensive, just and lasting settlement of the Arab-Israeli conflict.

Therefore, just as representative of the League of Arab States Clovis Maksoud commented that today's U.S. veto "only serves to affect the function of the United

Nations" and "constitutes a serious block" to the efforts of the international community to seek a political, just and lasting settlement of the Arab-Israeli conflict.

### Soviet Union

**Roundup on Moscow's View of U.S. INF Debate**  
*OW020844 Beijing XINHUA Domestic Service*  
*in Chinese 1458 GMT 31 Jan 88*

["Roundup: Moscow Closely Watching Capitol Hill's Moves"—XINHUA headline]

[Text] Moscow, 31 Jan (XINHUA)—Since the U.S. Senate began its hearings on 25 January on ratification of the intermediate-range missile treaty, Moscow's press has been closely watching the debate on Capitol Hill. Today, some major newspapers in Moscow published their commentaries on this subject.

Why has Moscow paid so much attention to this? In the words of SOVETSKAYA ROSSIYA, because results of the struggle centering on ratification of the treaty will decide the future of Soviet-U.S. relations and the international situation.

While all major newspapers have given wide coverage to the remarks by Reagan administration officials and Senate leaders of both parties actively advocating approval of the treaty, they held that it would be a big mistake to think that everything is okay just because these remarks were made. One of these newspapers bluntly pointed out: "To put it mildly, the fate of the treaty is now in suspense. Although the U.S. Government and treaty supporters believe that they can strive to win the necessary votes for ratification of the treaty, enemies who are opposed to easing tensions and unwilling to cooperate in any form with the Soviet Union have not given up." The newspaper is particularly worried that these enemies might undermine the treaty by making amendments or interpreting the provisions of the treaty in their own way.

Because examination of the treaty has just begun, observers here think that it is inappropriate to predict the results. However, they have noticed that in the Senate, the voices favoring approval of the treaty are a little stronger than those opposing it.

Another reason the Moscow press has paid special attention to Capitol Hill's moves is that the central issue of the debate there is not so much the treaty itself as how to further define the military system of the West. The fact that Soviet newspaper commentaries, including those published today, have expressed between the lines their great concern over the United States' attitude toward further disarmament and NATO's plan to replenish its arsenal has just revealed this.

### Northeast Asia

**Ammunition Train Explosion in DPRK Reported**  
*HK030930 Hong Kong SING TAO JIH PAO*  
*in Chinese 2 Feb 88 p 1*

[Report: "Chinese Communist Ammunition Train Exploded in North Korea Last Year With More Than 5,000 Casualties"]

[Text] In December last year, a train loaded with ammunition from China for North Korea exploded at a North Korean railway town, Hwa Sun [0735 7311], in Hamgyong-bukdo. The explosion killed about 120 people and wounded 5,000 people.

According to some Mainland Chinese residents in the border areas close to Korea, the train was loaded with hundreds of kilograms of explosives and ammunition, and was heading for a military railway station in Yong Ban [3057 3803].

It was said that the explosion was plotted by an anti-Kim Chong-il faction. The explosion destroyed all buildings within a radius of 2.5 kilometers. Kim Chong-il is North Korean leader Kim Il-song's son and obvious successor. The North Korean authorities have intensified the security measures in the border areas close to China, and have begun to investigate the explosion incident.

**Railway Ministry Denials**  
*HK031020 Hong Kong AFP in English 0851 GMT*  
*3 Feb 88*

[Text] Beijing, Feb 3 (AFP)—China on Wednesday dismissed as pure lies a report that a Chinese munitions train had exploded in North Korea in December killing 120 people and wounding 5,000.

"There has never been such an incident," said a Ministry of Railways spokesman who gave his name as Tang.

All reports of the explosion were "pure lies," he said.

The ministry early Wednesday had urged foreign reporters to "help dispel rumours."

The explosion, which was reported Tuesday in a Hong Kong newspaper, was confirmed Wednesday by commander of the joint U.S.-South Korean forces in Seoul General Louis Menetrey.

Gen Menetrey gave no further details, but the Hong Kong report said that 120 people were killed and 5,000 injured in the blast at a military railway station near the North Korean border town of Kyanggye.

Officials in Dandong City, near China's border with North Korea, told AGENCE FRANCE-PRESSE (AFP) Wednesday that they had heard no news of such an explosion.



"I have never heard of such a thing. No one here has ever heard of such a thing," said the Vice-Director of Public Security in Dandong.

A spokesman for the Dandong City government who identified himself as Mr. Ma flatly denied that such an explosion had taken place and told AFP that "there has never been such an incident."

A Chinese Foreign Ministry spokesman had said earlier in the day that they had looked into the situation and "this is not true" when asked about the reports.

North Korean embassy officials here were not immediately available for comment.

**Editorial on U.S.-ROK Military Exercise**  
*HK030533 Hong Kong WEN WEI PO in Chinese*  
3 Feb 88 p 2

[Editorial: "What Does the Mass Military Exercise on the Korean Peninsula Show?"]

[Text] The contention between the two Kims resulted in the victory of No Tae-u in the general election. No Tae-u, who had entered the political arena by supporting Chon Tu-hwan's military coup, became president of South Korea smoothly. As a result of the surging democratic movements in South Korea Chon Tu-hwan could do nothing but abdicate and let No Tae-u succeed him as president.

At present, although No Tae-u has been elected president he still has to face the National Assembly elections in February. The ruling party may not be able to retain a majority of legislative seats under their control because the opposition parties, controlled by the two Kims, may still have enough strength to win more than 50 percent of the seats. To prevent greater political clashes No Tae-u has taken some precautionary measures, trying to appease the opposition parties. He plans to organize a multi-party cabinet, some posts being held by opposition members.

However it is still unknown what posts he may offer to the opposition members. On the other hand the opposition members may not be willing to accept the less important posts. That is why even to this day they have not yet responded to No's proposal. No Tae-u is quite anxious about this and hopes that the problem of serious split between the various political parties can be solved as early as possible.

Recently, South Korea announced that the blowing up of a South Korean airliner was perpetrated by a female North Korean spy. The Seoul authorities even made this female spy speak on television to prove that this terrorist action was carried out under the direct instruction of Kim Chong-il. North Korea soon resolutely denied it. Before being relieved from office Chon Tu-hwan held a press conference in the president's office, at which he

pointed out that North Korea might attempt to sabotage the Olympic Games in Seoul and might even resort to terrorist activities. He decided to mobilize the Army and police to counter the sabotage from North Korea. A headquarters to command 120,000 military police has already been established for this purpose.

Following that, the United States and South Korea announced that the U.S. and South Korean Armies will carry out a joint naval-ground-air military exercise from February to May, in which some 200,000 troops will participate. U.S. aircraft carriers and the USAF will also cooperate in military operations.

Pyongyang made a quick response to this joint exercise, denouncing it as an action to aggravate confrontation between south and north and an attempt to upgrade the danger of war.

At present, there are no signs that North Korea will launch an offensive. The joint United States and South Korean military exercise is not aimed at defense but at creating an atmosphere of crisis to force opposition parties not to go onto the streets to fight against the government, but instead to unite with the ruling party to fight against outsiders and to protect the Seoul Olympic Games. At the same time it is also aimed at making a show of force toward Pyongyang so that the latter will not attempt to obstruct the Olympic Games.

After No Tae-u comes to power, he will use the military circles as a powerful backing for himself and also as a trump card in stabilizing the situation in South Korea. In appearance, this military exercise is aimed at countering the north, but in reality it is a measure combining both hard and soft tactics to force the opposition parties in the south to better behave themselves.

The military exercise in the south also causes the north to take precautions. A situation of confrontation between both sides has thus been formed, and the atmosphere of peaceful reunification advocated by both has been played down. In 1984, both sides began their smiling contacts. When the south was afflicted by floods, the north provided it with large quantities of rice, cloth, and other relief, which led to contact between the "Red Cross" societies from both sides and later, the "economic cooperation" and the talks between "assembly members" from both sides. Explorations began toward reconciliation. In 1985, after a series of contacts, both sides agreed to let people visit their relatives on the other side. However, there are great differences between the plans by both sides for a political settlement of the reunification issue. The north put forward a tentative idea to establish a "Federal Republic of Korea," attempting to seek reunification in the form of a federal republic and to force the U.S. Army to withdraw from the Korean Peninsula. But since the United States and South Korea are reluctant to have the U.S. Army withdraw from the south, they put forward a plan of "cross



recognition," trying to cause both the south and the north to enter the United Nations at the same time. This is a method for delaying reunification and is certainly unacceptable to the north.

Changes in the international environment have also made both south and north willing to freeze relaxations. Both China and the Soviet Union are carrying out domestic reforms, hoping to maintain peace in Northeast Asia. The north could not but adopt precautionary measures to deal with the changeable situation and make greater efforts to counter the "cross recognition" plan. At the same time the south also needs to eradicate its internal contradictions and retreat from the orientation of relaxation. As a result a delicate situation, characterized by talking glibly about peaceful negotiations while aggravating tension by means of military exercises, has appeared on the Korean Peninsula. Both sides are competing with each other in diplomatic affairs and propaganda, and peaceful reunification has moved farther away.

#### **Southeast Asia & Pacific**

**Prince Sihanouk, Zhao Talks End in 'Success'**  
*OW021141 Tokyo KYODO in English 1109 GMT  
2 Feb 88*

[Text] Beijing, Feb. 2 KYODO—Kampuchean resistance leader Prince Norodom Sihanouk has won China's support for his political initiative to solve the nine-year Kampuchean conflict through direct negotiations with Vietnam, reliable sources said Tuesday.

The sources said the prince obtained the Chinese support during talks with Chinese Communist Party General Secretary Zhao Ziyang in Beijing Monday.

Sihanouk announced Saturday his resignation from the presidency of the three-party anti-Vietnam Coalition of Democratic Kampuchea because of criticism from his coalition partner Son Sann, Premier of the coalition and leader of the anti-communist Khmer People's National Liberation Front.

Son Sann blasted the prince's second round of peace talks with Hun Sen, prime minister of the Vietnam-backed Heng Samrin government in Phnom Penh, near Paris on January 20-21.

The sources said Sihanouk told Zhao Monday that although he will not assume the presidency again, he will try to politically solve the Kampuchean conflict as representative of the Kampuchean people.

Sihanouk's secretary told KYODO News Service Tuesday the Sihanouk-Zhao talks were carried out in a very friendly atmosphere and ended in success.

The aide also said Sihanouk has changed his original plan to return to Pyongyang in mid-February and will remain in the Chinese capital until the end of March.

He did not say why the prince changed his itinerary but informed sources said he has extended his stay in Beijing in an effort to open direct talks with the Vietnamese.

Vietnam invaded Kampuchea in 1978 to oust the Khmer Rouge government and installed Heng Samrin in power. An estimated 140,000 Vietnamese troops are still stationed in Kampuchea.

Sihanouk arrived in Beijing last Thursday to brief Chinese leaders on his talks with Hun Sen.

According to China's official news agency XINHUA, Sihanouk told Zhao Monday a complete Vietnamese withdrawal from Kampuchea and dissolution of the Heng Samrin government are prerequisites for a political settlement of the conflict.

XINHUA said Sihanouk canceled a third round of peace talks with Hun Sen scheduled for Pyongyang in April and expressed his readiness to have direct talks with Vietnam. Zhao supported Sihanouk's position, it said.

Meanwhile, Son Sann's party apologized for criticizing the prince and urged him to stay within the three-party coalition as its leader, other informed sources said.

Diplomatic analysts said the third party to the coalition, the Pol Pot group under China's strong influence, will have to follow China's policy and support the prince's peace efforts.

Sihanouk's office in Beijing said Tuesday his son, Prince Rannarith, sent a cable to Sihanouk on Sunday and refused to be a part of the three-party coalition as supreme commander of the Sihanouk troops as well as a representative of the faction.

Sihanouk said in a statement issued Saturday he had given up the post of supreme commander and named Prince Rannarith as his successor.

The cable, sent from "Base B" in Thai territory, said the younger prince refused to assume his designated posts since he had never been part of the coalition formed in June 1982.

Prince Rannarith expressed hope that cooperative relations among the three parties will improve so that they can continue their resistance against Vietnam, the office said.

**Vietnam Said 'Studying' Sihanouk's Offer**  
HK031010 Hong Kong AFP in English 0936 GMT  
3 Feb 88

[Text] Beijing, Feb 3 (AFP)—Vietnam said Wednesday it was still studying Prince Norodom Sihanouk's proposal for direct talks in a bid to solve the Cambodian conflict.

"Sihanouk's declaration is too recent. We must study this new situation further," a diplomat with the Vietnamese Embassy to Beijing told AGENCE FRANCE-PRESSE.

"It is too soon to decide. But we will apply any measure that can accelerate a political solution in Cambodia," he added.

Prince Sihanouk, 65, announced here Saturday he was stepping down permanently as president of the resistance Coalition Government of Democratic Kampuchea (CGDK), saying that he was becoming a "free man" and was prepared to meet Vietnamese Government officials.

The diplomat said Vietnam believed Prince Sihanouk should continue peace talks with Hun Sen, prime minister of the pro-Vietnamese government in Phnom Penh.

Prince Sihanouk confirmed Saturday that he had broken off the talks begun in December near Paris, the first negotiations between warring Cambodian factions since Vietnam invaded Cambodia at the end of 1978. He said he would not meet Mr Hun Sen again unless he was accompanied by Vietnamese officials.

Several diplomats here say he stepped down as CGDK president in order to become a neutral party and thus convince the Vietnamese to agree to meet him.

Vietnam has up to now categorically refused to meet the prince, saying that peace talks should be held only between Cambodia's warring parties.

The Vietnamese diplomat stressed that his country was firm in its commitment to withdraw all its troops from Cambodia by 1990.

"We believe the Khmer Rouge danger is subsiding day by day" with the stability of the Phnom Penh regime, he said. "But if there is a political solution, we could pull our troops out sooner according to the agreement" reached by the warring factions, he said.

Vietnam invaded Cambodia to oust the Khmer Rouge, accused of massacring hundreds of thousands of fellow countrymen during their rule from 1975-79.

The Khmer Rouge and the nationalist supporters of Son Sann were Prince Sihanouk's partners in the tripartite CGDK which fields an estimated 50,000 men against 140,000 Vietnamese troops in Cambodia.

**SRV Troops Shell Thailand Reservoir Site**  
OW020902 Beijing XINHUA in English 0801 GMT  
2 Feb 88

[Text] Bangkok, February 2 (XINHUA)—Vietnamese troops in Kampuchea yesterday fired over 100 mortar and artillery shells into Thai territory in Prachin Buri Province, eastern Thailand, reported the BANGKOK POST today.

The shelling, which started at 10:30 a.m. And was apparently aimed at a reservoir project under construction, prompted Thai gunners to return fire.

The reservoir project, about 50 kilometers south of the border town Aranyaprathet, is being carried out by the Irrigation Department in a program to boost border security. The Vietnamese shelling inflicted no casualties.

Meanwhile, a Vietnamese soldier identified as Tang Ren defected to Thailand at Ban Pa Rai Village, about seven kilometers south of Aranyaprathet.

Tang Ren, 22, told Thai authorities that he wanted to seek resettlement in a third country.

## West Europe

**Yao Yilin Meets FRG Industrialists in Beijing**  
OW301040 Beijing XINHUA in English 0932 GMT 30  
Jan 88

[Text] Beijing, January 30 (XINHUA)—Chinese Vice Premier Yao Yilin announced here today that foreign firms are welcome to cooperate with China in the energy, transport, communications, and materials industries—all key sectors in the country's modernization drive.

Yao made the remark at an hour-long meeting with Peter Stehle, president of the General Electric Company (AEG) of the Federal Republic of Germany, and his executives.

Yao praised AEG for its economic and technical cooperation with China, including training Chinese personnel, over the past few decades.

Stehle said that, encouraged by China's policies of reform and opening to the outside world, AEG seeks new forms of cooperation with China.

With the aim of fostering long-term cooperation, he continued, AEG has decided to set up three training centers and intends to launch joint ventures in China.

Yao said that integration of AEG's technology with China's low-cost labor would produce competitive products for the international market and make good profits for both sides.

Discussing joint ventures, Yao said that the two sides might set up new factories as well as carrying out technical transformation in a number of old Chinese factories.

"You are welcome to provide technology as well as managerial experience by sending managers to run the firms in line with your own regulations and methods," Yao told Stehle and his party.

AEG is also welcome to launch ventures in China by itself, Yao added.

Stehle, who arrived yesterday, is scheduled to tour Shanghai shortly.

### East Europe

**Zhao Meets Hungary's Gaspar Sandor**  
OW031022 Beijing XINHUA Domestic Service  
in Chinese 1435 GMT 2 Feb 88

[Text] Beijing, February 2 (XINHUA)—How trade unions should function under the impact of the present policies of reform and opening to the outside world is a major question facing the socialist countries, Communist Party of China (CPC) leader Zhao Ziyang said here tonight.

He said this is also an important aspect of China's projected political structural reform. Zhao, general secretary of the CPC Central Committee, made these remarks during a meeting with a trade union delegation led by Gaspar Sandor, member of the Political Bureau of the Central Committee of the Hungarian Socialist Workers' Party and chairman of the Central Council of the Hungarian trade unions.

Zhao said China's trade union reform involves two aspects. First, the functions of the party, government, trade unions and their political and social organizations should be separated.

The party cannot take on everything, and the trade unions should be the organizations of the workers themselves, he added.

"In this aspect, we have already decided on the direction," Zhao said. "However, there is much to be explored."

Secondly, he said, trade unions themselves should be reformed by practicing democracy, taking the mass line, getting rid of bureaucratic arrogance, and shunning the tendency to be simply administrative establishments.

In addition, he said, inside an enterprise relations between the trade union and the director of the enterprise must be handled properly.

The system of directors assuming full responsibility should be instituted in enterprises, with the director being the legal representative of the enterprise concerned.

Under such circumstances, Zhao said, the matter of how the trade unions voice and safeguard the workers' rights and interests should be institutionalized and determined through legislation.

Gaspar Sandor, who and his delegation arrived in Beijing on 30 January, told Zhao that he and the delegation members had during the past three days exchanged views with Ni Zhifu, president of the All-China Federation of Trade Unions, on possibilities and ways of improving cooperation between the two countries' trade unions.



**Zhang Lianzhong Named PLA Navy Commander**  
*HK030135 Hong Kong TA KUNG PAO in Chinese*  
3 Feb 88 p 1

[Report: "New Chinese Navy Commander, 57-Year-Old Zhang Lianzhong (1728 6647 1738), Assumes Post"]

[Text] According to a report from Beijing Deng Xiaoping, chairman of the Central Military Commission, issued an order a few days ago appointing deputy navy commander Zhang Lianzhong as navy commander.

In November last year Liu Huaqing, former navy commander, was promoted deputy secretary general of the Central Military Commission. Since then there has been much conjecture on popular candidates for the post of navy commander. The appointment of Zhang Lianzhong as navy commander was completely beyond the expectations of military observers here.

Zhang Lianzhong is 57 years old this year, and joined the troops in March 1947. He has been a submarine captain, chief of a submarine detachment, and deputy chief of staff of the Beihai Sea Fleet. In July 1985 he was appointed deputy navy commander. In October 1987 he was elected an alternate member of the 13th CPC Central Committee.

It has been learned that Li Yaowen, the current navy political commissar, will continue to hold the post.

**University Graduates Apply for Rural Jobs**  
*HK020522 Beijing GUANGMING RIBAO in Chinese*  
9 Jan 88 p 1

[Report by Yu Changan (0151 7022 1344): "A Group of Undergraduate and Postgraduate Students in Chengdu Area Apply for Work in Rural Areas and Grass-Root Units after Graduation"]

[Text] While some undergraduate and postgraduate students are worrying about how jobs will be assigned to them after graduation this year, Liang Jinhui and Xiang Xingquan, postgraduate students who graduated from the Chemistry Department of Sichuan University in the autumn of 1987, have given up their opportunities to work in big cities and have gone to run town and township enterprises. This has evoked strong repercussions among university students in the Chengdu area. More than 300 undergraduate students and 20 postgraduate students have said that after their graduation, they "will not wait for jobs in cities but will be willing to apply their talents at grass-root units."

Liang Jinhui, who came from the rural area, discovered while conducting a survey before his graduation that there was a serious shortage of qualified personnel in the rural areas and in grass-root units below the county level because nobody wanted to go there while many undergraduate and postgraduate students were complaining about "difficulties in job assignment" in cities. Therefore, he resolutely applied

for a job in his hometown. Some people asked, "Wouldn't it be a waste for a postgraduate to work in the rural area? Should such application be encouraged?" Liang Jinhui wrote to Sichuan Secretary Yang Ruidai about what he thought. Yang Ruidai gave him a prompt reply expressing his enthusiastic support. Liang Jinhui's wish was granted and he was assigned to work at the Town and Township Enterprises Bureau of his hometown, Pengxi County. As to Xiang Xingquan, he gave up his opportunity of getting a job in Guangzhou and volunteered to run a chemical plant in Longma Township in Xinjin County. He also had his residential registration transferred to the rural area.

Undergraduate and postgraduate students, who are to graduate in 1988 and who have been hunting for jobs by writing letters to various quarters or visiting big departments and organizations with a satchel on their backs offering their services and cannot find a way out, have gained much useful enlightenment from Liang Jinhui and Xiang Xingquan. They have come to see a future outside big cities and organizations. Quite a number of undergraduate and postgraduate students of more than 10 institutions of higher learning including Sichuan University, Huaxi Medical University, Chengdu Science and Technology University, and Chengdu Telecommunications Engineering College have gradually shifted their job targets to grass-root units and the rural areas. In Sichuan University alone, 57 undergraduate students and 4 postgraduate students have already submitted in the past 2 months their applications for jobs in town and township enterprises and in neighborhood enterprises in towns and cities after graduation.

Leaders of institutions of higher learning in the Chengdu area have paid great attention and given warm support to the enthusiasm of students who have volunteered to apply their talents in grass-root units. Professor Kui Yingtao, vice president of Sichuan University said, "In the past 2 years, the question of difficulties in assigning jobs for university graduates has been much discussed in schools and the society. As a matter of fact, it is not that we have trained more qualified personnel than we need, but that the gap between the personal wish of our university graduates and the needs of the society is too big. Nobody is willing to go to units and places which need people badly but everybody is striving to squeeze into organizations of big cities which are already overstaffed. Consequently, while some people are complaining about 'difficulties in recruiting qualified personnel,' others are grumbling about 'difficulties in finding a job.' If all our undergraduate and postgraduate students are willing to apply their talents in places where society needs them most, there will not be any more difficulty in job assignments."

Since the news of the change in the notion of job assignments of university students spread to grass-roots units, the town and township enterprises in Deyang city, Daxian Prefecture and Xinjin County and the neighborhood enterprises of Chengdu and Chongqing have come to various institutions of higher learning in Chengdu

1. The first step in the process of identifying and classifying information is to determine whether the information is sensitive. This is done by comparing the information to the criteria established in the classification guide.

2. The second step is to determine the level of sensitivity. This is done by comparing the information to the criteria established in the classification guide.

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14. The fourteenth step is to determine the recordkeeping requirements for the information. This is done by comparing the information to the criteria established in the classification guide.

15. The fifteenth step is to determine the overall classification of the information. This is done by comparing the information to the criteria established in the classification guide.



1. The first of the two main points of the report is that the situation in the country is generally stable, but there are some local disturbances.

2. The second point is that the economy is showing signs of improvement, but there are still some problems.

3. The third point is that the government is taking steps to improve the situation, but there are still some challenges.

4. The fourth point is that the people are generally satisfied with the government's actions, but there are still some concerns.

5. The fifth point is that the government is working to improve the situation, but there are still some challenges.

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The Government of the People's Republic of China is firmly determined to maintain the unity and integrity of the country and to prevent any separatist activities. It will take all necessary measures to ensure the stability and security of the nation.

The Government of the People's Republic of China is committed to the development of the economy and the improvement of the living standards of the people. It will continue to implement the policies of the Chinese Communist Party and the Government to achieve these goals.

The Government of the People's Republic of China is determined to defend its sovereignty and territorial integrity. It will not allow any foreign forces to interfere in its internal affairs or to threaten its security.

The Government of the People's Republic of China is committed to the promotion of international peace and cooperation. It will continue to work for the establishment of a just and equitable international order.

The Government of the People's Republic of China is determined to strengthen its ties with the Soviet Union and other friendly countries. It will continue to support the socialist revolution and construction in these countries.

The Government of the People's Republic of China is committed to the development of science and technology. It will continue to invest in research and development to improve the country's technological capabilities.

The Government of the People's Republic of China is determined to improve the education system and to raise the cultural and scientific literacy of the people. It will continue to implement the policies of the Chinese Communist Party and the Government to achieve these goals.

The Government of the People's Republic of China is committed to the promotion of the health and sports of the people. It will continue to implement the policies of the Chinese Communist Party and the Government to achieve these goals.

The Government of the People's Republic of China is determined to strengthen its defense forces and to improve its military equipment. It will continue to implement the policies of the Chinese Communist Party and the Government to achieve these goals.

The Government of the People's Republic of China is committed to the development of the arts and literature. It will continue to support the creative activities of the people and to promote the development of the national culture.

The Government of the People's Republic of China is determined to improve the judicial system and to ensure the rule of law. It will continue to implement the policies of the Chinese Communist Party and the Government to achieve these goals.

The role of the state in the economy is to stabilize the market price and to ensure that the state's economic policies are implemented. It will take all necessary measures to ensure the stability and security of the nation.

### Comparison of Violations Shipped Up in 1957

1957-1958  
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1957-1958

The total number of violations shipped up in 1957

The total number of violations shipped up in 1957 was 11,000. This was a significant increase from the 1956 figure of 10,000. The increase was due to a number of factors, including the implementation of the state's economic policies and the strengthening of the judicial system.

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### **Publishing of Book on Mass Fighting Art Set**

**0002131 Beijing XINHUA Domestic Service**  
in Chinese 0742 GMT 1 Feb 88

(By reporter Liu Chuanren)

[Text] Chengdu, 1 Feb (XINHUA) — "Mass Fighting's Art of Fighting," a 101,000-character book, will be published soon by the National Defense University Publishing House.

The book, written by Liang Shaoqun, a senior officer in the book "Mass Fighting's Art of Fighting," is a compilation of the people's revolutionary struggle. The manuscript was also written by Chen Guohong, an Assistant of the NPC Standing Committee, which made "Military affairs, which are quite different from ordinary things, can bring about ecological balance and harmonious relations [in the world] (XINHUA 1987 0411 0702).

The author of the book, Mr. Liang, was a former senior military officer in the General of Headquarters of the People's Liberation Army in the People's Liberation Army. During the outbreak of the Cultural Revolution, he was sent to the front line to work with the people. He has a number of years of experience in the field of military affairs. The book is a compilation of his own experience and the experience of other officers. The book is a collection of his own experience and the experience of other officers. The book is a collection of his own experience and the experience of other officers.

### **1st Space Ship Test Flight Expected Soon**

**0002131 Beijing XINHUA Domestic Service**  
in Chinese 0742 GMT 1 Feb 88

(By reporter Liu Chuanren and Liang Shaoqun)

[Text] Chengdu, 1 Feb (XINHUA) — The first manned space flight is expected to be launched in the near future. The first manned space flight is expected to be launched in the near future. The first manned space flight is expected to be launched in the near future.

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the moving aerial target. This will provide the air controllers on the ground with swift and accurate information about the situation in the air, thereby enhancing greatly the efficiency of direction and guidance.

According to a briefing, this product is not only used to modernize the Air Force, but can also be widely used in flying schools for training pilots, in civilian airport surveillance, in air traffic control and public security for cities and towns, as well as in other fields.

### **Jian-7M Aircraft Receives State Golden Award**

**0002131 Beijing XINHUA Domestic Service**  
in Chinese 1550 GMT 2 Feb 88

(By Reporter Li Nanling)

[Text] Chengdu, 2 Feb (XINHUA) — The Jian-7M airplane manufactured by the Chengdu Aircraft Company received a state golden award recently.

According to information, the Jian-7M has been remodeled on the basis of the Jian-7I. Like the Jian-7I, the remodeled aircraft is lightweight and maneuverable at medium and high altitudes, with improved attack, navigation, maneuvering, and endurance capabilities.

### **China Reform Science, Technology Systems**

**0002131 Beijing XINHUA Domestic Service**  
in Chinese 0729 GMT 29 Jan 88

(By reporter Zhao Peiming)

[Text] Wuhan, 29 Jan (XINHUA) — Some of China's science centers took a step forward in reforming their scientific and technological systems last year. Those locations conducted many investigations on relaxing control of scientific research organizations and adopting more efficient and flexible policies for managing scientists and technicians. Many of their recommendations have become national practice.

Five departments under the State Council recently held a national forum in Shanghai City on the work of the cities carrying out organizational reform of the scientific and technological system. The leading cadres of the departments exchanged experiences. They include Shanghai and four other cities carrying out a pilot scientific and technological reform, plus Beijing and other cities taking bigger steps in such reforms.

The reform of the scientific and technological system in these cities shows the following four tendencies:

In the past, the reform of the scientific and technological system was mainly the job of the scientific and technological departments. Now it is becoming the job of the scientific and technological departments, the economic departments as well as other departments in the society. In Shanghai, the reform of the scientific and technological system has been included in the city's overall reform



plan, a "Shenyang pattern" with emphasis on technological markets has been created, and scientific and technological reform and other reforms are steadily promoting each other. In Nanjing, the city government has organized a group for coordinating and guiding the reform of the scientific and technological system, composed of personnel from 15 departments. Measures for promoting scientific and technological progress are discussed by all departments concerned, including the scientific and technological, economic, industrial, commercial, financial, and personnel departments, and the government has strengthened its leadership over the reform of the scientific and technological system. At present, the city government departments concerned have jointly formulated 12 sets of relevant policies to provide a good social environment for deepening reform of the scientific and technological system.

In order to develop the productive forces, those cities have introduced various mechanisms into their scientific and technological work, and promoted the integration of economy with science and technology. While relaxing control of scientific research organizations, Harbin City has actively tried out a contract system for fulltime scientific workers, a partnership system, a contract system for individuals, and a system under which the institute director is held responsible for the attainment of certain objectives during his tenure. These systems have closely linked the scientists' and technicians' responsibilities, authority and interests. Some organizations having difficulties in continuing operations have taken a turn for the better, and the organizations that are operating normally have become full of vigor. In developing the technological market, Shenyang City encourages large and medium-sized enterprises to compete with scientific research organizations. In 1987, 120 large and medium-sized enterprises began trading in the technological market and signed more than 4,000 contracts for technological deals, either between themselves or with other parties.

Many cities have developed various ways to integrate scientific search with production in consideration of local conditions. At present, Guangzhou City has summed up 10 types of integration between scientific research and production, 8 scientific research and design organizations have been incorporated into enterprises, and a number of scientific research enterprises, scientific research-production enterprises, and companies contracting for technological engineering projects have been set up there. Huangshi City emphasises development of scientific research forces and scientific-technological-type enterprises to promote the reform of independent scientific research organizations run by the city government and by the people. At present, it has created a new pattern of "two-way relaxation" between enterprises and scientific research institutes and brought about a close integration of economy with science and technology.

All those cities pay attention to scientific and technological legislation and have gradually included science and technology in the legal system. In the course of reform, Guangzhou City has formulated more than 20 local regulations concerning scientific and technological

reform, including a program for scientific and technological development, regulations on promoting lateral scientific and technological cooperation, and experimental provisions on relaxing the control of scientific and technological personnel. It has begun to adopt policies in the interest of scientific and technological reform. The five cities that are carrying out pilot scientific and technological reforms have formulated more than 60 relevant pieces of legislation which allow the reform to proceed smoothly under effective legal protection.

#### Commentary Analyzes 1987 Export Trade

HK020719 Beijing BAN YUE TAN in Chinese No 1,  
10 Jan 88 pp 33-34

[Article by Zhang Yi (1728 3015): "A Historical Breakthrough—Commentary on 1987 Export Trade"]

[Text] The year 1987 was a foreign trade year deserving special appraisal in China. In 1987, China's exports topped \$30 billion, surpassing by a large margin the annual export plan of \$27.5 billion. According to statistics compiled by the Ministry of Foreign Economic Relations and Trade (the same being the case hereinafter), by the end of November 1987, exports amounted to \$31.7 billion. It was expected that the annual export volume would top \$34 billion.

Since exports have topped \$30 billion, their proportion in the GNP has correspondingly risen. Foreign exchange income from exports accounts for 80 % of the country's total foreign exchange income. All this indicates that economic relations between China and the rest of the world are increasing and that China is opening up wider to the world. A review of the development of China's foreign trade since the founding of the PRC makes us understand that the policy of opening up to the world implemented since the 3d Plenary Session of the 11th CPC Central Committee has really promoted rapid foreign trade development.

In the 1950's, China's annual export volume was registered at around \$2 billion. In 1966, which witnessed record exports up to that time, the volume was only \$2.36 billion. The export volume gradually rose to \$7 billion in the early 1970's. In 1978, China's export volume topped \$10 billion for the first time, to stand at \$10.89 billion. Three years later, that is, in 1981, the export volume topped \$20 billion, to stand at \$20.893 billion. Subsequently, China's export volume began to increase slowly.

The period in which the export volume kept increasing very slowly for 5 consecutive years ended in 1987, which witnessed an increase of 25 % and more in total annual exports. In the course of the increase, the mix of export commodities was further optimized, with a rise in the proportion of textile and electrical machinery products in the total export volume. Technology exports also developed by a large

margin. All this indicates that the proportion of finished products in export commodities rose and that the country was shifting toward intensive processing.

The great achievements in China's exports in 1987 should be attributed to the following factors, apart from the turn for the better in the international market.

The first factor was the development of production in the country, which provided adequate sources of goods for foreign trade and exports. The rapid development of the textile and electronics industries also found expression in exports. The proportion of textile and electronics products rose. The export of textile products in 1987 amounted to \$8 billion, ranking first among export commodities. The export of light industrial and electrical machinery products also increased by a large margin.

The second factor was opening up to the world and introducing foreign capital, which brought about a large increase in exports. Guangdong Province, which stands in the forefront of reform and opening up to the world, strove to develop an outward-oriented economy, and used exports to stimulate its economic development. Its exports only amounted to \$2.299 billion in 1983, but topped \$5 billion in 1987, ranking first in the country. The 4,000-plus foreign-invested enterprises which started operating several years ago also made contributions to the development of China's exports. The exports of foreign-invested enterprises totaled less than \$500 million in 1986, but topped \$1 billion in 1987.

The third factor was the deepening of rural reform, which encouraged millions of peasants to undertake commodity production. This was an effective factor for the expansion of exports. The exports of traditional handicrafts exceeded \$2 billion in 1987, an all-time record. Of the total, the exports of drawnwork were registered at over \$600 million, and the exports of straw-woven products exceeded \$100 million. About 10 million peasants throughout the country were engaged in the production of these two types of products.

The fourth factor was the implementation of the system of contracted responsibility for business operation and the introduction of some flexible policies and measures, which brought into play the initiative of foreign trade enterprises in striving for more foreign exchange income. The implementation of the system of contracted responsibility for business operation enabled foreign trade enterprises to combine responsibility, powers, and benefits, to enliven their operation, and to improve their economic results. Foreign trade was carried out in various forms, such as barter trade, triangular trade, and credit trade, which all helped invigorate foreign trade enterprises and expand exports.

The fifth factor was the strict management of exports, which helped prevent fertile water from flowing out of the country, and enterprises from slashing their prices to engage in competition. In 1986, the Ministry of Foreign Economic Relations and Trade began to exercise stricter

management over exports, demanding export licenses for major export commodities accounting for 60 % of the country's total exports. It also strengthened its supervision over the issuance of price verification licenses. The exercising of stricter macromanagement over exports brought about a large increase in exports.

These achievements are gratifying, but, after all, they belong to the past. Looking ahead in the New Year, the tasks are arduous and we should make further efforts to fulfill them. This year's world market demand will drop because of the fall in Western stock markets. In addition, some commodities are in short supply in the country, prices are rising, and contention for sources of commodities is serious between domestic and foreign trade. All these constitute unfavorable factors for increasing foreign exchange income through exports. In spite of all this, however, we still have reason to believe that we will score better achievements in foreign trade work. In the New Year, the foreign trade structure will be reformed in a planned way and step by step, so that foreign enterprises can assume sole responsibility for their losses and profits, carry out their operations freely, combine industry with trade, and introduce the agency system. In the New Year, coastal areas with better conditions than others are required to engage in the production of agricultural products that can help increase foreign exchange income, to carry out the processing of raw materials provided from abroad, and to take a development road related to wide international circulation. It can be predicted that these favorable conditions will give an impetus to the rapid development of exports.

**Article Views Enterprise Party Committee Role**  
*HK020231 Beijing RENMIN RIBAO in Chinese*  
21 Jan 88 p 4

[Article by Yu Yunyao (5713 0061 5069): "A Brief Talk on an Enterprise Party Committee's Role of Guarantee and Supervision"]

[Text] Guarantee and supervision constitute essential political responsibilities for enterprise party organizations. This is determined by the characteristics and new leadership bodies in socialist enterprises and is required by the nature and tasks of party organizations.

The practice of structural reforming enterprise leadership has proved that a party committee's role of guarantee and supervision can produce a direct impact on the development of enterprises and the accomplishment of their tasks. Viewed from the successful experiences in some enterprises, a party committee's role of guarantee and supervision has the following characteristics:

First, guarantee and supervision are closely related to each other. Guarantee constitutes the foundation. Without guarantee there can be no earnest supervision. There is guarantee in supervision and also supervision in guarantee. They infiltrate each other and are interactive. If we merely stress guarantee at the expense of supervision or vice versa, it will be impossible to give full play to



this role. Guarantee refers to ideological and political guarantee rather than substituting the system of factory director assuming sole responsibility in specific work. Supervision refers to organizational supervision rather than the personal supervision of a party committee secretary over a factory director. It is certainly not tantamount to nitpicking, or being like the factory director's "mother-in-law." Both guarantee and supervision should involve principled and tendentious matters in implementing policies. The purpose is to adhere to the socialist orientation of enterprises and ensure that enterprise production and operation are carried out in line with the principles and policies of the party and state.

Second, guarantee and supervision should be closely integrated with the central task of production and operation. Many enterprises have summed up as follows: The difficulties factory directors have in making decisions are precisely the focus of a party committee's guarantee and supervision. Effective guarantee and supervision are generally manifested in the whole process of decisions made by factory directors. Prior to decisionmaking the party committee offers a variety of information including the ideological trend of workers to the factory director and organizes party members and cadres to seriously study the party's principles and policies so as to ensure that the decisions have a sound ideological basis. While making decisions as a member of the factory management committee, the party committee secretary together with other members, offers advice and makes proposals to the factory director. After the decisions are made the party committee ensures implementation of the director's decisions through the exemplary role of party members and by conducting meticulous ideological and political work and mass work. If there are violations of principles and policies the party committee will point them out through organizational meetings, holding talks, or other forms, and solve the problems appropriately.

Third, a party committee's supervision is mainly manifested in "advanced supervision." Some comrades have summarized the contents of an enterprise party committee's supervision as follows: Have the factory directors implemented the relevant stipulations by the CPC Central Committee, State Council, and higher levels? Do the decisions on major problems conform to proper democratic procedure? On the premise of fully respecting and trusting the functions performed by a factory director while exercising supervision in these two respects, it is necessary to take preventive measures and exercise supervision in advance on the basis of conducting investigations and studies. Party committees should not always be wise after the event. Regarding inspection conducted after the event, party committees should undertake the responsibility they ought to assume of their own accord.

It is quite obvious that correctly and effectively giving full play to the role of guarantee and supervision has set higher demands on enterprise party committees and secretaries. It requires enterprise party committees to stand on a high plane and see far ahead in light of the principle of the party

attending to party affairs. It requires party committee secretaries to have a better understanding of ideological theories and policies, have a strong sense of party spirit and realistic approach, and to consciously set an example. Herein lies the reason why people often say that the duties of party committee secretaries have not been alleviated after implementing the system of factory director assuming sole responsibility.

**Commentary on Factory Director's Dismissal**  
*OW020845 Beijing XINHUA Domestic Service*  
*in Chinese 0219 GMT 27 Jan 88*

[Commentary by XINHUA reporter Yu Youhai: "The Repercussions Caused by Bu Xinheng's Dismissal"]

[Text] Beijing, 27 Jan (XINHUA)—The news of Bu Xinheng's dismissal has caused concern in society. Some people favor it; some are skeptical; and some are worried. The dismissal of Bu Xinheng is thought-provoking, as are the reactions to his dismissal.

Some people ask: "Why did this news get published?" We cannot report only the good news and not the bad. We cannot only praise the advanced models when they are successful and keep it secret when they fail. We enthusiastically publicized Bu's pioneering and enterprising spirit years ago. We have an obligation to report the truth when he lags behind.

"Reformers will come to no good end!" Some people conclude from Bu's dismissal that reform is, from the outset, an erroneous adventure. Such an argument is groundless. No one can deny Bu's reform success and the good influence he had on reform. To this day the party and people still regard his contributions as positive. His dismissal is not the result of reform; it is due to the betrayal of reform. Dismissing Bu on account of mistakes, allows advanced people who are resolved about reform and persist in instituting reform to emerge in large numbers. These people are showered with praise. These people have a great future and will certainly leave their imprint in the annals of the motherland's modernization.

"Has the the policy of supporting reformers changed?" Some comrades are worried because they have the wrong impression from Bu's dismissal. The fact is our country's reform has extended from reform of the economic structure to that of the political structure. People with lofty ideas who dedicate themselves to reform are needed by our times. The party and government will, as always, vigorously support them. Moreover, efforts are being made to improve, revise, and enlarge laws and regulations to protect the rights and interests of those comrades who enthusiastically throw themselves into reform and to create a better environment for reformers to win widespread support. Needless to say, this support should not be interpreted as giving a free hand to reformers and turning a blind eye to their shortcomings and their mistakes. On the contrary, we should criticize and educate them in a timely manner, which is also a form of support, an indispensable one in impelling them to make progress. After discovering Bu's problems, responsible party

and government comrades of Zhejiang Province repeatedly pointed them out and exercised patience in helping him. Their aim was to "save the person and the plant" and to help Bu continue instituting reforms. However, Bu disregarded the efforts to redeem him and in the end he had to be dismissed. This decision by no means indicates a change in the policy of supporting reform. Although Bu is now dismissed, he can still win people's trust if he draws a lesson from the dismissal and continues to exert himself and rise with spirit in the high tide of reform.

"Isn't the action intended to bring pressure to bear on factory directors?" That Bu later cut himself off from the masses and acted arbitrarily is not because of the introduction of the director responsibility system. There has been no case like Bu's among the enterprises that have instituted this system. So long as plant directors "count on party leadership and the support of the masses," as Ma Shengli put it, and always have the state's and people's interests in mind, they do not have to fear this kind of gossip at all. As the party Central Committee and the State Council have decided to implement in an all-round way the system of factory director assuming responsibility, our factory directors and managers should shoulder the responsibility of enlivening and improving enterprises with greater enthusiasm and creativity.

The undertaking of reform is complicated and arduous. Some people will step back or drop out from the march today as well as in the future. However, as "the rivers flow east in spite of the mountains standing in the way," the trend of China's reform is irreversible.

**State Council To Issue Treasury Bonds**  
OW021316 Beijing XINHUA in English 1249 GMT  
2 Feb 88

[Text] Beijing, February 2 (XINHUA)—The State Council, China's highest governing body, has decided to issue a total of nine billion yuan-worth of treasury bonds in 1988, XINHUA learned today.

Some 3.5 billion yuan will be sold to enterprises and other units, with the rest going to individuals.

According to the 1988 treasury bond regulations issued recently, the bonds will have an annual interest rate of six percent for units and enterprises, and 10 percent for individuals.

The principal of the three-year treasury bonds will be paid back together with the interest all at once in the fourth year after the issue, excluding compound interest.

The regulations stipulate that the transfer of treasury bonds is allowed so long as they do not enter into currency circulation. They can also be used as mortgage for goods payments with banks.

**Serious Drop Reported in Soil Fertility**  
OW021015 Beijing XINHUA Domestic Service  
in Chinese 0152 GMT 27 Jan 88

[Letter by reporter Su Huizhi: "Signal of Danger—Tendency of China's Decreasing Soil Fertility Serious"]

[Excerpts] Beijing, 27 Jan (XINHUA)—China's expanse of fertile soil is becoming more and more barren. A survey by the Chinese Academy of Agricultural Sciences shows that much of the cultivated land in China, both surface and underground layers, is exhibiting a tendency for decreasing soil fertility. Less than two-thirds of China's better cultivated land contains only 3 to 6 percent organic substance. It is of a medium level by world standards. The barren cultivated land would be ranked even lower.

Relevant experts believe that the main reasons for such a situation are the neglect of clay fertilizer in some areas, repeated use of soil with little care or maintenance, reduced investment, and improper utilization. All these factors lead to a drop in soil fertility. [passage omitted]

Meanwhile, because people do not understand the nature and conditions of soil well enough, they have planted crop strains incompatible with soil conditions, resulting in poor utilization of soil fertility, low yields by high-yield strains, and poor quality crops produced by high quality strains. An expert says: If the strain of a planned crop is incompatible with soil conditions, per mu yield will decrease by 10 kgs. If arrangement of strains is improperly made on 200 million mu of China's cultivated land, the nation will suffer a decreased output of 2 million metric tons. [passage omitted]

Some experts of the Chinese Academy of Agricultural Sciences point out: If we want to improve soil fertility, we must first of all increase the use of green manure and organic fertilizer. [passage omitted]

Next, different kinds of chemical fertilizer should be applied to different kinds of crop strains on different kinds of soil conditions in a scientific way. Blind and excessive applications of chemical fertilizer will increase the burden of peasants and, at the same time, cause it to be in short supply. The correct method to lay manure is applying organic fertilizer first, then chemical fertilizer. Only when both applications are combined can chemical fertilizer be turned to better account. According to an estimate, at present, only 30 to 50 percent of the chemical fertilizer applied in China is used beneficially. If this utilization rate is increased by 10 percent, the nation will have an additional 1 million metric tons of standard fertilizer, and the peasants can save 2 billion yuan in investment.

Relevant experts point out with all sincerity that preventing a drop in soil fertility and soil degeneration is a major issue that concerns our offspring as well as the prosperity of China's agricultural production. It should receive the proper attention from responsible departments, cadres at the grass-roots level, and the broad masses of peasants.



### East Region

#### Anhui People's Congress Conducts Business

##### Elects Officials

OW031154 Beijing XINHUA in English 1147 GMT  
3 Feb 88

[Text] Hefei, February 3 (XINHUA)—Wang Guangyu and Lu Rongjing were elected chairman of the Standing Committee of the Anhui Provincial People's Congress and governor of Anhui Province, respectively, today.

They were elected at the First Session of the 7th Provincial People's Congress which was held today in this capital of Anhui Province.

Shi Junjie was reelected chairman of the Provincial Committee of the Chinese People's Political Consultative Conference, at the first session of the Sixth Provincial CPPCC Committee.

##### Li Guixian Attends Session

OW021403 Hefei Anhui Provincial Service  
in Mandarin 1100 GMT 30 Jan 88

[Text] The First Session of the Seventh Anhui Provincial People's Congress held its third plenary meeting in the Anhui Theater this morning. The meeting was presided over by Executive Chairman Zheng Rui.

The meeting adopted the procedures for electing Anhui's deputies to the Seventh National People's Congress, the seventh provincial People's Congress Standing Committee, governor and vice governors of the provincial people's government, the president of the provincial Higher People's Court, and the chief procurator of the provincial People's Procuratorate. It also adopted the namelist of chief ballot supervisor and ballot supervisors, and the namelist of vote counters.

In a secret ballot, the meeting elected 103 Anhui Province's deputies to the Seventh National People's Congress from among 146 candidates.

Other executive chairmen seated in the front row on the rostrum included Li Guixian, Xu Leyi, Xia Deyi, Kang Zhijie, Du Weiyou, [next seven or eight names indistinct].

##### Provincial Economy Discussed

OW030407 Beijing XINHUA in English 1437 GMT  
1 Feb 88

[Text] Hefei, February 1 (XINHUA) — Anhui Province's export value reached 523 million U.S. dollars last year, up 42.3 percent over the previous year, and 2.7 times more than in 1982, according to Lu Rongjing, acting governor.

Addressing the Seventh Provincial People's Congress in Hefei, the provincial capital, today, Lu said the province is creating a better environment for outside investors by setting up economic development zones and drawing up a series of preferential policies.

By making good use of local resources such as coal, iron, limestone and granite, the province will develop further its foreign trade and economic cooperation, he added.

##### Fujian Congress Presidium Members Named

OW021115 Fuzhou FUJIAN RIBAO in Chinese  
20 Jan 88 p 1

[Text] The namelist of the presidium of the first session of the seventh provincial People's Congress (adopted at the preparatory meeting on 19 January 1988) is as follows:

Presidium (41 members, in order of the number of strokes in their surnames)

Wang Yishi, Wang Zhaoguo, Wei Li (female), Lu Shiqian, Lu Yalai, Lan Yuying (female), Lu Juyong, Liu Yongye, Liu Yuefeng, Liu Qinrui, Hua Fuzhou (female), Su Changpei, Li Lishi, Li Zongshi, Li Qingzao, Zou Erjun, Song Jun, Zhang Zhidong, Zhang Zelin, Zhang Mingjun, Chen An, Chen Shaoyong, Chen Guangyi, Chen Qichang, Chen Guizong, Lin Zhizi, Lin Jixin (female), Lin Haofan, Zheng Lin, Zhao Xuemin, Hu Hong, Hong Hai, Jia Qinglin, Guo Ruiren, Huang Guangtan, Huang Changxi, Kang Beisheng (female), Cheng Xu, Fu Guibi, Wen Xiushan, Zeng Jinfeng (female).

Secretary General, Wen Xiushan.

#### Jiangxi CPPCC Committee Conducts Business

##### Presidium Meets

OW021303 Nanchang Jiangxi Provincial Service  
in Mandarin 1100 GMT 28 Jan 88

[Excerpts] The presidium of the first session of the sixth provincial CPPCC Committee held its second meeting this afternoon. [passage omitted]

Permanent Chairman Wu Ping presided over today's meeting. Other permanent chairmen attending the meeting were Yang Yongfeng, Lu Xiaopeng, Shen Hanqing, Li Shanyuan, Wu Yongle, Wu Tiyu, Jin Liqiang, (Liao Yuanxiong), (Li Peiyao), (Dan Shizhong), and (Sun Zhengjia).

The meeting approved the Procedures for Election at the First Session of the Sixth Jiangxi Provincial CPPCC Committee. According to the procedures, the first session of the sixth provincial CPPCC Committee will elect 1 chairman, 9 vice chairmen, 1 secretary general, and 96 Standing Committee members. [passage omitted]

**Session Closes**

*OW021355 Nanchang Jiangxi Provincial Service  
in Mandarin 1100 GMT 31 Jan 88*

[From the "Provincial Hookup" program]

[Excerpts] A grand ceremony was held this morning at the auditorium of the Jiangxi Hotel to mark the close of the First Session of the Sixth Jiangxi Provincial CPPCC Committee.

Sitting in the front row on the rostrum were newly elected chairman of the provincial CPPCC Committee Wu Ping and vice chairmen Yang Yongfeng, Lu Xiaopeng, Shen Hanqing, Li Shanyuan, Wu Yongle, Jin Liqiang, Liao Yanxiong, Li Peiyao, and Dai Zhizhong, and Secretary General (Sun Dianjia).

Provincial party, government, and army leaders Wan Shaofen, Wu Guanzheng, Liu Fangren, Xu Qin, Jiang Zhuping, Wang Baotian, Zhao Zengyi, Zhu Zhihong, Wang Shufeng, Huang Huang, Qian Jiaming, Chen Guizun, and Fang Qian; vice chairmen of the former Fifth Provincial CPPCC Committee Liu Jianhua, Lu Liang, and Wu Yunzhong; and veteran comrades Lai Shaoyao, (Zhu Zhanhua), and (Wen Xiuying) came to extend greetings on the successful conclusion of the session. They also sat on the rostrum.

In addition to the above, newly elected members of the Standing Committee of the sixth provincial CPPCC Committee were seated on the rostrum.

The closing ceremony was presided over by Wu Ping, chairman of the provincial CPPCC Committee. [passage omitted]

Yang Yongfeng, vice chairman of the provincial CPPCC Committee, made the closing address on behalf of the presidium of the session. [passage omitted]

**Shandong's Liang Attends Congress Meeting**  
*SK021240 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 1 Feb 88*

[Text] The first session of the seventh provincial People's Congress held its fourth plenary meeting at the Jinan Zhenzhuquan Auditorium on the afternoon of 1 February. The session elected the province's deputies to the Seventh NPC from a larger number of candidates. Deputies cast their sacred votes with a conscientious and responsive attitude. As a result, they elected 178 province deputies to the Seventh NPC from 229 candidates. All of 11 candidates from the central and state organs who participated in election in our province, including Ni Zhifu and Zhang Chengxian, were elected as deputies to the Seventh NPC.

Among the elected province deputies to the Seventh NPC, there were workers, peasants, cadres, intellectuals, democratic party figures, nonparty figures, and representatives of returned overseas Chinese; as well as excellent elements in various fields who made outstanding achievements in carrying out reform and opening to the outside world.

This plenary meeting was presided over by Liang Buting, executive member of the presidium of the session.

**Shandong's Liang Buting at CPPCC Closing**  
*SK021253 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 1 Feb 88*

[Excerpts] After satisfactorily accomplishing all tasks, the first session of the sixth provincial CPPCC Committee ended at the assembly hall of Jinan's Dongjiao Hotel on the morning of 1 February. Attending the session upon invitation were leading comrades of the provincial CPC committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial Higher People's Court, and the provincial People's Procuratorate. These included Liang Buting, Jiang Chunyun, Su Yiran, Li Farong, Li Zhen, Han Banju, and Zang Kun. Also attending upon invitation were former vice chairman of the provincial CPPCC Committee, including Zhou Xingfu, Wang Zhe, Xu Meisheng, Guo Yicheng, Li Sijing, Bao Yanbo, and Wang Liang; as well as those Standing Committee members of the fifth provincial CPPCC Committee who were not elected members of the sixth provincial CPPCC Committee, and who were stationed in Jinan. Xu Wenyuan, executive member of the session's presidium, presided over the session.

At the session, the results of various elections of the sixth provincial CPPCC Committee and the namelists of elected personnel were announced. The CPPCC members gave warm applause to the newly elected chairman, vice chairmen, secretary general, and Standing Committee members of the sixth provincial CPPCC Committee. They extended congratulations on the creation of the leading organs of the sixth provincial CPPCC Committee.

The session's participants also unanimously adopted the political resolution of the first session of the sixth provincial CPPCC Committee, and the resolution on the report of the motions examination committee of the first session of the sixth provincial CPPCC Committee concerning the situation of motions and opinions on examination. Chairman Li Zichao spoke at the session. [passage omitted]

Chairman Li Zichao said: This session elected a chairman, vice chairman, a secretary general, and Standing Committee members of the sixth provincial CPPCC Committee. This represents the trust the CPPCC members place in us, and makes us feel deeply about our



heavy duties. We will certainly live up to the expectations and the great trust placed in us by CPPCC members. Under the correct leadership of the Shandong Provincial CPC Committee, under the guidance of the guidelines of the 13th party congress, and proceeding from the strengthening of the ideological, workstyle, and organizational building, we will unite and lead all CPPCC members and all related figures of various circles to make positive explorations, and bravely pioneer the road of advance to push forward the province's CPPCC work.

Among those executive members present at the session were Zhou Zhenxing, Kong Lingren, Ding Fangming, Zheng Weimin, Jin Baozhen, Yang Da, Zheng Shouyi, (Wu Fuheng), (Wu Minggang), Wang Zunong, (Su Yingheng), and (Miao Yongming).

The session concluded at 6:00 on 1 February amid the majestic music of the national anthem.

**Jiang Zemin Addresses Shanghai Traffic Forum**  
OW021245 Shanghai WEN HUI BAO in Chinese  
29 Jan 88 p 1

[Excerpts] A forum to seek immediate measures for easing traffic congestion and reducing the number of traffic accidents within the city proper of Shanghai, was convened by the municipal science and technology association yesterday. Mayor Jiang Zemin discussed with over 40 traffic experts and scholars plans for upgrading the traffic capacity of level crossings and improving municipal roads; traffic accidents and solution measures; road networks; downtown parking; Shanghai's public transportation service and the question of setting up special routes for vehicles. [passage omitted]

Jiang Zemin also said: Traffic congestion is the most urgent problem in Shanghai. We must solve this problem once and for all. We should be aware that the potential of Shanghai's roads can still be tapped, but this work needs the efforts of all concerned. Mayor Jiang called for unyielding efforts to do the following tasks well: 1) Traffic regulations must be observed, because if one vehicle is slowed by 1 kilometer, this is equivalent to an increase of 1,500 vehicles; 2) Automatic traffic lights and human traffic controllers should be used at road junctions; and 3) Implement traffic improvement projects that can be started in a short time, require a small investment, and produce quick results. Projects that need only a small investment should be started immediately and a few such projects should be done each year. Experts and scholars attending the forum put forward the following suggestions: Traffic should be managed by the people themselves. The people of Shanghai should be concerned about the municipality's traffic problems. Let's select a place or set up a fixed location where people can come freely to offer their suggestions and plans.

**Shanghai's Jiang Addresses Science Meeting**  
OW021101 Shanghai JIEFANG RIBAO in Chinese  
28 Jan 88 p 1

[Excerpt] Zhou Guangzhao, president of the China Academy of Sciences [CAS] attended yesterday's academy development work conference. He stressed that we must genuinely change our concepts, dispel misgivings, and mobilize or transfer a number of fine scientific and technological personnel to engage in application and development. Doing these things will enable us to integrate science and technology with our edge in labor force and resources and make due contributions to the development of export-oriented new technology industries.

Jiang Zemin, secretary of the Shanghai Municipal CPC Committee and mayor, Deputy Secretary Zeng Qinghong, Vice Mayor Liu Zhenyuan, Special CAS Advisor Yan Dongsheng, and CAS Secretary General Hu Qiheng attended the conference.

This is the first CAS development work conference ever held in Shanghai. [passage omitted]

**Jiang Zemin on Shanghai's Export Economy**  
OW020717 Shanghai City Service in Mandarin  
2300 GMT 29 Jan 88

[From the "Morning News" program]

[Text] According to our station reporter Wang Youchao, Secretary Jiang Zemin and Deputy Secretary Zeng Qinghong of the municipal party committee, together with other leaders, met with responsible comrades from the press circles on the afternoon of 29 January to exchange ideas and discuss Shanghai's economic situation and the reform of journalism work.

In discussing Shanghai's economic situation, Jiang Zemin said: Shanghai is presently at a turning point, having to put into practice the financial responsibility system on the one hand and to develop an export-oriented economy on the other. Viewed from its current situation, Shanghai has many favorable conditions for developing the export-oriented economy: Shanghai has a fairly sound industrial foundation with a relatively complete array of processing industries. It has rather large land, sea, and air transport capacities, and there is a big scientific and technical work force. Still, it is no easy task to develop the export-oriented economy in view of the keen international competition and the competition with other provinces and municipalities. Export commodities that Shanghai should develop are traditional light industrial products, including textiles. Efforts should also be made to increase the export of complete sets of machinery and electric equipment and electronic products.

Jiang Zemin said: To develop the export-oriented economy, we should, in the first place, do a good job of ideological mobilization. We should see to it that all cadres and masses emancipate their minds, develop



productive forces, and take concrete steps to implement the guidelines set by the party Central Committee and the State Council. Second, we should promote a firm and persistent spirit.

He added: Development of production and construction of the infrastructure complement each other. Within the next 3 years, we should primarily develop production. Meanwhile, we should, of course, continue to strive for success in those tasks that are closely related to the well-being of the masses.

During the discussion, responsible comrades from some journalism units said that this kind of idea-exchange meeting sponsored by the municipal party committee and government is of great advantage. They hoped that such meetings would be held on a regular basis so as to let the people know the major events and important policy decisions of the municipality as well as the difficulties it is facing.

**Zhejiang's Xue Ju Discusses Political Reform**  
OW021253 Hangzhou Zhejiang Provincial Service  
in Mandarin 0400 GMT 28 Jan 88

[Excerpts] In his government work report, Governor Xue Ju urged government departments to reform the political structure in an orderly way and strengthen the building of socialist democracy and the legal system.

He said: Since the 13th CPC National Congress has placed political structural reform on the agenda, all government offices should adapt themselves to the situation of separating party from government functions by actively transforming their functions, separating government authority from enterprise management, reforming the personnel system related to cadres, and strengthening the building of socialist democracy and the legal system.

He said: The focuses of reforming government work this year are to transform the functions, delegate more powers to lower levels, and gradually set up a leadership system which can help increase efficiency, build up vitality, and fire the initiative of all quarters. [passage omitted]

He said: The socialist legal system embodies and guarantees socialist democracy. Therefore, it is necessary to closely combine promotion of democracy with improvement of the legal system. All government functionaries, in addition to devoting themselves to popularizing legal knowledge among the citizens, should further study and master the laws, set good examples in observing and enforcing the laws, and effectively coordinate all quarters to improve public order. [passage omitted]

## Central-South Region

**Guangzhou Welcomes All Trade Missions**  
HK020715 Hong Kong SOUTH CHINA MORNING POST  
(BUSINESS POST) in English 2 Feb 88 p 3

[By Beeven Lai]

[Text] Guangzhou welcomes trade delegations from all countries, even though they do not have any diplomatic relations with China, said vice-mayor Yang Ziyuan.

The door of Guangzhou is open to any businessman from anywhere in the world, Mr Yang said, adding that visits could be arranged through the NEW CHINA News Agency in Hong Kong.

Speaking at a seminar yesterday, Mr Yang said both Hong Kong and Guangzhou had their own economic advantages and they could benefit from each other if they used their strong points to offset their weaknesses.

Mr Yang said Hong Kong businessmen had contributed to the bulk of Guangzhou's commercial co-operation with foreigners.

From 1979 to last year, Guangzhou signed 813 contracts for equity and contractual joint ventures and compensation trade worth U.S.\$600 million with foreign businessmen. Of this figure, 80 percent was signed with Hong Kong partners.

There were also 26,000 contracts for processing and assembling using imported materials valued at U.S.\$350 million, and 90 percent of these contracts were concluded with Hong Kong businessmen.

Mr Yang said there were vast areas for economic co-operation and joint development between Hong Kong and Guangzhou.

One avenue was counterpart co-operation, which meant enterprises of the same trade becoming trans-regional in production and marketing facilities.

Mr Yang cited several favourable conditions for developing counterpart co-operation.

Firstly, as one of China's four light industry production bases, Guangzhou has a versatile workforce and a large pool of scientific and technical talents.

The city also has the advantage of being located adjacent to Hong Kong.

To strengthen foreign trade, Mr Yang said the Government had approved the construction of a modern port in Huangpu Harbour.

Thirdly, Guangzhou, as one of the 14 open coastal cities, is entitled to preferential treatment.

Mr Yang also said the investment environment in Guangzhou had improved substantially.

**Secretary Addresses Hubei's 'Capable People'**  
*HK030932 Wuhan Hubei Provincial Service*  
*in Mandarin 1000 GMT 2 Feb 88*

[Excerpts] "A Collection of (Liaoyuan)," a book about the achievements scored by Hubei's capable people in becoming prosperous in rural areas through advances in science and technology was recently compiled and published by the provincial association for science and technology.

This morning the provincial association for science and technology held a forum of these capable people mentioned in the book. During the forum, Guan Guangfu, secretary of the provincial party committee, encouraged such capable people to spend their accumulated funds on promoting expanded reproduction and advances in science and technology and to make new contributions to developing commodity production. The new book relates 57 capable people's achievements in becoming prosperous in rural areas through advances in science and technology. [passage omitted]

**Shanxi People's Congress Concludes 2 Feb**  
*HK030147 Taiyuan Shanxi Provincial Service*  
*in Mandarin 2300 GMT 2 Feb 88*

[Summary from poor reception] The First Session of the Seventh Shanxi Provincial People's Congress concluded in Taiyuan on 2 February after completing all its agenda. Executive Chairman Li Ligong presided at the closing ceremony. Other executive chairmen present included Wang Maolin, Lu Gongxun, Ruan Bosheng, and Huo Fan. The session elected 70 deputies, including Bo Yibo, to the Seventh NPC.

### Southwest Region

**Holy Books Returned to Tibet Shrine**  
*OW030818 Beijing XINHUA in English 0800 GMT*  
*3 Feb 88*

[Text] Lhasa, February 3 (XINHUA)—More than 400 lamas gathered for a ceremony Tuesday to mark the return of a noted Buddhist scripture to the Gandan Monastery, one of the three major temples in Tibet.

Tangyur (Tripitaka) is a completed works of Zong Kaba, founder of the Yellow Sect of Tibetan Lamaism. Written in 250 volumes in gold ink, they record the origin of the Tibetan religion and Buddhism.

The scripture had been kept in Beijing after an exhibition of Tibetan cultural objects in the city in 1960.

At the ceremony, nearly 100 lamas carried the holy books, wrapped in yellow satins, on their shoulders and put them in a shrine as trumpets blew and incense burned.

"The return of Tangyur reflects that the party's policy on religion is being implemented step by step," said Gyibug Puncogcedain, vice chairman of the Tibet Autonomous Region People's Government.

### North Region

**Beijing's Secretary at CPPCC Leader's Funeral**  
*SK030613 Beijing BEIJING RIBAO in Chinese*  
*24 Jan 88 p 1*

[Excerpt] A ceremony was held in the Beijing Hospital on the morning of 23 January for paying last respects to the remains of Comrade Lu Zongda, vice chairman of the Sixth Beijing Municipal CPPCC Committee, Standing Committee member of the fifth Central Committee of the China Democratic League, noted Chinese language philologist, and professor at Beijing Teachers' Training University.

A dirge was played in the solemn mourning hall. The remains of Comrade Lu Zongda was placed amid fresh flowers and green cypress. Attending the ceremony were Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal CPC Committee; Fei Xiaotong, vice chairman of the National CPPCC Committee; Chen Xitong, mayor of Beijing Municipality; Sun Fuling, vice mayor of Beijing Municipality; Bai Jiefu, chairman of the Beijing Municipal CPPCC Committee; Xia Xiang, vice chairman of the Beijing Municipal CPPCC Committee; Chen Yuan, chairman of the State Language Planning Committee; Hu Lianyan, deputy director of the United Front Work Department of the CPC Central Committee; Liu Bin, vice minister in charge of the State Education Commission; Tao Dayong, Qi Gong, Bai Shouyi, Xu Baokui, and Zhang Zhigong. Also attending were noted figures from various social circles; relatives and friends of Lu Zongda; and teachers and students of the Beijing Teachers' Training University, totaling more than 300 persons. [passage omitted]

**Beijing Officials Punished for Neglect of Duty**  
*OW021034 Beijing XINHUA in English 0837 GMT*  
*2 Feb 88*

[Text] Beijing, February 2 (XINHUA)—Twenty-three government officials in Beijing have been punished for dereliction of duty in connection with 21 cases of theft and one case of robbery since 1986.

Three were ousted from their posts, two received major demerits, four got lesser demerits and 14 were handed stern disciplinary warnings, the Beijing Supervisory Bureau announced today.



Altogether 58 officials including five bureau directors and 19 division heads were responsible for the crimes which resulted in the loss of 440,000 yuan, the bureau said.

The other 35 persons involved were either fined, lost their bonuses, or had to make criticisms.

The bureau cited one case involving the party secretary and three deputy managers of the Beijing Ornament Import and Export Corporation who were charged with serious neglect of duties.

In January 1987, jewelry worth 108,000 yuan was robbed from the corporation because of loose security measures.

Another case involved the director and two vice-directors of the Shahe Food Factory in Changping County where a thief stole 12,000 yuan in September, 1986.

The bureau said the thief stayed in the accountant's office for more than one hour but was unnoticed.

**Hebei's Xing Attends Birth Control Conference**  
*SK030423 Shijiazhuang HEBEI RIBAO in Chinese*  
15 Jan 88 p 1

[Excerpts] After a 4-day session, the provincial family planning work conference ended in Shijiazhuang on the afternoon of 14 January. Attending the conference were some provincial leading comrades, including Xing Chongzhi, Xie Feng, Li Wenshan, Yang Zejiang, Chen Yujie, Wang Zuwu, and Ma Zhuozhou. Li Wenshan, deputy secretary of the provincial party committee, made a summing-up speech at the conference. Xing Chongzhi, secretary of the provincial party committee, made an impromptu speech. [passage omitted]

In his impromptu speech, Xing Chongzhi set forth four opinions. 1. We should work cautiously to implement family planning work policies. Like other fronts, the family planning work front made new achievements in 1987. However, we must understand that the development of family planning was very uneven. The province even failed to fulfill population targets. All prefectures, cities, and counties should investigate their family planning work over the past 2 years and judge whether they made progress, were bogged down, or went backwards. We should pay attention to summing up experiences and discovering weak links, loopholes, and dead angles; and then make efforts to get rid of them. We must not utter empty talk or slogans while conducting family planning work. 2. The key to promoting family planning work hinges on reform. Based on the preliminary experiences gained in 1987, we must accelerate and deepen reform this year. Since family planning is a work related to many fields, we should organize relevant departments and pool their concerted efforts to promote the work. 3. The key to family planning work lies in the grassroots. The focal point of the grassroots hinges on the rural areas. The rural areas should focus their family planning work on

women of childbearing age and households with great difficulties in family planning. From now on, advanced counties should be reported in newspapers. Backward counties should also be criticized in newspapers. 4. The key to success in family planning hinges on party-member cadres, particularly, leading cadres. Thus, strict demands must be set on party-member cadres, particularly, leading cadres.

Xing Chongzhi concluded: At next year's family planning work conference we must arrange the names of counties in the order of their results in family planning work. This will eliminate the practice of "everybody eating from the same big pot." The party committee secretary and head of the county that rank last should be summoned to explain why they lag behind. The people will be motivated and inspired with enthusiasm for doing some work only when great pressure is applied on them.

**Hebei's Xing Attends Enterprise Meeting**  
*SK030617 Shijiazhuang HEBEI RIBAO in Chinese*  
20 Jan 88 p 1

[Excerpt] On the morning of 19 January, the Mashengli paper-making enterprise group held a meeting at the Shijiazhuang Paper Mill to mark its inauguration.

Delegates from 28 partner plants in Hebei, Shandong, Guizhou, Zhejiang, Shanxi, Liaoning, Henan, Heilongjiang, Anhui, and Gansu provinces happily celebrated the opening of the brand-new page of this inter-regional, interdepartmental, and intertrade nongovernmental economic association. Delegates from 28 enterprises that wanted to join the enterprise group also excitedly rushed to the meeting.

Leading comrades of the provincial party committee, the provincial government and the provincial CPPCC Committee, including Xing Chongzhi, Yue Qifeng, and Xu Chunxing, attended the meeting to extend congratulations. Governor Xie Feng specially asked comrades of the general office of the provincial government to telephone the meeting to extend congratulations. Leaders of the Shijiazhuang City Party Committee and the city government, and responsible persons of the relevant units also attended the meeting to convey congratulations. The organization and establishment of the Mashengli paper-making enterprise group aroused the attention of all social quarters. Nearly 400 congratulatory letters and telegrams were sent to the meeting from domestic and foreign enterprises. [passage omitted]

**Shanxi Congress Elects Bo Yibo to NPC**  
*OW022345 Beijing XINHUA Domestic Service*  
in Chinese 1430 GMT 2 Feb 88

[Text] Taiyuan, 2 Feb (XINHUA) — The First Session of the Seventh Shanxi Provincial People's Congress elected 70 deputies to the Seventh NPC today. Among them were Bo Yibo, vice chairman of the Advisory



Commission of the CPC Central Committee, and Chen Shunli, vice chairman of the Central Committee of the China Association for Promoting Democracy.

### Northeast Region

**Liaoning Elects Chen Muhua as NPC Deputy**  
*OW021059 Beijing XINHUA Domestic Service*  
*in Chinese 1603 GMT 27 Jan 88*

[Text] Shenyang, 27 Jan (XINHUA)—At the Seventh Liaoning Provincial People's Congress, Yan Jici, Chen Muhua, and 142 others were elected deputies to attend the Seventh National People's Congress.

The First Session of the Seventh Liaoning Provincial People's Congress was held in Shenyang on 19-27 January. At the plenary session on 27 January, deputies to the Seventh NPC were elected. The central state organizations' seven candidates in Liaoning were all elected deputies to the Seventh NPC. They are Yan Jici, Chen Muhua, Li Changan, Yu Zeyou, Gu Songfen, Aisin Giorro Pujie and Peng Qingyuan.

### Northwest Region

**Gansu People's Congress Elects Officials**  
*HK030227 Lanzhou Gansu Provincial Service*  
*in Mandarin 2300 GMT 2 Feb 88*

[Text] The First Session of the Seventh Gansu Provincial People's Congress held its third election on 2 February. As a result, (Ma Qianqing), Wang Daoyi, Xing Anmin, Li Wenhui, Li Fusheng, and Yang Fuxin were elected vice chairmen of the provincial People's Congress Standing Committee. Qin Bing was elected president of the provincial Higher People's Court, and (Chen Shouqian) was elected chief procurator.

**Qinghai People's Congress Session Concludes**  
*HK030203 Xining Qinghai Provincial Service*  
*in Mandarin 2300 GMT 2 Feb 88*

[Excerpts] The First Session of the Seventh Qinghai Provincial People's Congress victoriously concluded on 2 February after completing all its agenda. [passage omitted] Present at the closing ceremony were Yin Kesheng, Liu Feng, Bian Yaowu, Jing Shengming, and others. [passage omitted]

In a closing speech, Huanjue Cailang said that this session has given full scope to democracy and strictly acted according to law. It has been a successful session of unity and victory. It will have a major impact in mobilizing the people of all nationalities in the province to implement in depth the spirit of the 13th National CPC Congress, carry out the instructions of leading central comrades on work in Qinghai, further strengthen nationality solidarity, consolidate and develop the political situation of stability and unity, and speed up the province's socialist modernization. [passage omitted]

**Shaanxi Elects Xi Zhongxun 7th NPC Deputy**  
*OW021325 Beijing XINHUA Domestic Service*  
*in Chinese 1315 GMT 31 Jan 88*

[Text] Xian, 31 Jan (XINHUA)—Comrade Xi Zhongxun was elected deputy to the Seventh National People's Congress at the Sixth Session of the Sixth Shaanxi Provincial People's Congress today. Also elected as deputies to the Seventh NPC at the same meeting were Xiong Yingdong, Liu Yinwu, Jiang Keming, Zhao Hongzhang, and Shi Xingbang, patriots of democratic parties, nonparty personages, and noted scholars.

**KMT Approves Parliamentary Reform Plan**  
*OW031045 Taipei CNA in English 1036 GMT 3 Feb 88*

[Text] Taipei, Feb. 3 (CNA)—The Kuomintang Central Standing Committee Wednesday approved a plan that promises to drastically restructure the nation's parliamentary system.

The plan, hammered out by the ROC [Republic of China] ruling party's 12-member task force in charge of political reform, was approved at the committee's weekly meeting chaired by President Li Teng-hui.

In an effort to build a consensus on the reform plan, the KMT Policy Coordination Committee Wednesday invited representatives of the minority Young China Party and the China Socialist Democratic Party and the opposition Democratic Progressive Party for consultation.

The KMT's parliamentary reform plan consists of the following:

— Senior parliamentarians, who were elected on the mainland in 1947, would be phased out through voluntary retirement. Those who have taken up residence abroad or are bed-ridden would be regarded as voluntary retirees. The Cabinet would decide on a retirement pension and how it would be paid.

— The number of parliamentarians representing government-controlled areas would increase sharply. The National Security Council and the Cabinet would jointly decide the exact number and whether the quota would be reached immediately or by stages.

— The practice of appointing alternate deputies to fill National Assembly vacancies would be discontinued.

— No seats would be reserved for mainland representatives.

The nation's parliamentary system consists of the National Assembly, an electoral college vested with the power of amending the constitution, the legislative Yuan, and the watchdog control Yuan. More than two-thirds of the incumbent parliamentarians are representatives of mainland provinces whose tenure has been frozen for the sake of government legitimacy.

The KMT started working on the parliamentary reform scheme after the late president Chiang Ching-kuo, who was also chairman of the party, initiated the nation's democratization drive in early 1986. The party will try to rally support for the plan among its members in the parliament before the legislative process begins.

**Commentary Terms Dropping GSP Status 'Valid'**  
*OW021300 Taipei International Service in English 0200 GMT 2 Feb 88*

[Commentary: "Goodbye to GSP Status"]

[Text] The United States announced last Saturday that the Republic of China [ROC] on Taiwan, as well as East Asia's other tigers, Singapore, Hong Kong, and South Korea, will no longer be offered trade benefits under the generalized system of preferences, or GSP for short. The move, scheduled to take effect on January 2, 1989, will have a major ripple effect on the economies of all nations involved.

The GSP is a program the United States offers to developing countries to aid them in export performance as a means of helping them achieve more rapid export growth. GSP allows certain developing nations to export many goods to the United States duty free.

Over the years, the four tigers of East Asia have prospered mainly as a result of their exports to the U.S., but recently the huge U.S. trade deficit, of which a large part is with the tigers, has given rise to protectionist sentiments in Washington as well as to an effort there to achieve more balanced trade.

The end of GSP for the four tigers is not, however, part of any trade retaliation measures taken by Washington. Instead, Washington makes the valid case that the East Asian tigers are nearly developed, and thus are ready to graduate from the export aid program.

Dropping of GSP for these four nations alone will amount to a difference of some 400 million to 500 million U.S. dollars a year in trade with the U.S.

In the U.S., the move is seen as controversial. Politicians and people in those industries that are non-competitive with East Asian imports welcome the news that products from the tigers will be more expensive, and thus less competitive in the U.S. market. But retailers in the U.S. have opposed the move, citing the fact that the dropping of GSP status for these nations means the increased costs of their products will necessarily be passed on to American consumers. It will not be the tigers who pay more, but the American consumers. The trade picture will be relatively unaffected by the move.

In the Republic of China on Taiwan, the move is not perceived as having the potential for economic disaster it was once thought to have. Officials feel the shock will be easier to absorb since the GSP status for Taiwan's East Asian competitors is also being dropped. Had Taiwan been singled out, then the move would have seriously eroded this island's ability to compete in the U.S. market. As a result of this and other trade balancing measures taken by Washington and Taipei, the Republic of China's surplus with the U.S. is expected to drop this

year for the first time since the late sixties. Last year the surplus amounted to nearly 19 billion U.S. dollars. This year some officials are predicting it will be closer to 14 billion, a 25 percent drop.

Other Western nations are expected to follow suit in dropping export aid programs for East Asia's tigers.

Economic officials here in Taipei have told exporters to brace themselves for the loss of GSP status for some time now. Many have prepared for it by diversifying their markets. Ten years or even five years ago, were someone to say the GSP would be dropped, the ROC's exporters would have been panic-stricken. That they seem to be taking it in stride today is a sign that they are indeed ready for graduation.



## Hong Kong

**Basic Law Powers 'Irrevocable' for 50 Years**  
*HK020653 Hong Kong SOUTH CHINA MORNING POST in English 2 Feb 88 p 2*

[By Stanley Leung in Guangzhou]

[Text] A high-powered Basic Law Drafting Committee [BLDC] group has decided to stipulate in the Basic Law that the future Government of Hong Kong be given three powers which would be irrevocable in the first 50 years after 1997.

This was recommended yesterday by a 15-member coordinating committee of the BLDC which was set up to tidy up the first Basic Law draft.

A member, Mr Xiao Wei-yun, said the committee accepted a drafter's suggestion to include a statement outlining the powers proposed in the Joint Declaration in the "general provisions" of the mini-constitution.

The statement reads: "The Hong Kong SAR [Special Administrative Region] will be vested with executive, legislative and independent judicial power, including that of final adjudication."

Mr Xiao said the inclusion of this statement in the Basic Law—and its status of being incapable of amendment until 2047—would boost Hong Kong people's confidence in their future.

The committee—headed by two vice-chairmen with members drawn from the 10 co-conveners of the five sub-groups and the three secretaries-general—is meeting for three days to put different clauses together for a comprehensive draft, avoiding overlapping.

One of the two heads, Mr Hu Sheng, said the group's task was to make the draft more in line with the Joint Declaration.

For example, he said, a Basic Law clause should state that Hong Kong would not adopt a socialist system instead of saying vaguely that Hong Kong's system should be "different from that of the mainland".

The committee decided to accept Mr Hu's suggestion and make the clause more specific;

At the last plenary session in December, some drafters denounced as cumbersome and ambiguous the 172-article draft of the Basic Law, and pinned part of the blame on the Joint Declaration.

Mr Xiao said the committee would try to stick to the Joint Declaration, the "one country, two systems" concept, and the principle of "sovereignty" and a high degree of autonomy for Hong Kong.

Another member, Mr Wong Po-yan, said while revising the wording of the clauses the committee had to avoid changing their original meaning.

## Macao

**Thousands of PRC Workers Anticipated**  
*HK020705 Hong Kong HONGKONG STANDARD in English 2 Feb 88 p 1*

[By Eddie Farr in Macao]

[Excerpts] Thousands of Chinese labourers are expected to pour across the border into Macao following the publication of a new law in yesterday's edition of the official Macao Government Gazette.

The law permits local employers to recruit labour from China providing they accept responsibility for accommodation, payment and repatriation of the workers.

The bill comes after four months of discussions held at the end of 1987 between employers, labour associations and the government.

Macao Governor Carlos Melancia, says the new bill will enhance the territory's economic development.

Imported workers will be allocated identity cards but will not have the right to permanent residence in Macao. [passage omitted]

Meanwhile, the first meeting of macao television's new owners took place yesterday morninx when they elected a new board of directors.

The owners, consisting of nine government department heads, voted to retain Mr Antonio Ribeiro as chairman of the board. Mr Leonel Miranda and Ms Maria do Carmo Figueiredo were elected as the two other board members.

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